

Thank you, Madame Chairman and members of the appropriation committee for this opportunity to address the negative impact of the SEBAC agreement. I speak to you as the President of Bovano Industries, Inc, my families 70 year old company operating in Connecticut since 1952.

The GDP of Connecticut is the measurement of the fiscal engine of Connecticut's economy. GDP has dropped 14% since 2019 going from \$285 billion to \$245 billion dollars in 2021. This is a 14% loss in the source of funds to pay for Connecticut's \$23 billion budget. I understand the impact of the SEBAC agreement will add \$1.9 billion to the state budget in the next 15 months. A 14% reduction in the GDP is a negative impact on paying for the agreement.

The most important number, however, is 30%. This is the percent of unfunded pension obligations paid from the State budget. This obligation of 30% of tax revenues means these funds are no longer controlled by State representatives, our elected representatives. I anticipate the 30% will increase if the SEBAC agreement is adopted.

My 70 year old company is at a tipping point. It cannot sustain the burden of unfunded pension obligations now. I am asking Senator Mary Abrams and Representative Liz Linehan, my state representatives to vote against resolution 12 and 11 respectively. We, as a state, cannot afford this SEBAC agreement.

My company is not your future. I will not stay in Connecticut to pay for the very generous agreements proposed by the governor and the State employee unions. After the union increase was maintained during the extreme financial demands of the virus and now this new wage increase agreement on top of that increase, I cannot stay here.

Thank you Senator Osten.

James Flood

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